



# NAVAL SUPPLY SYSTEMS COMMAND

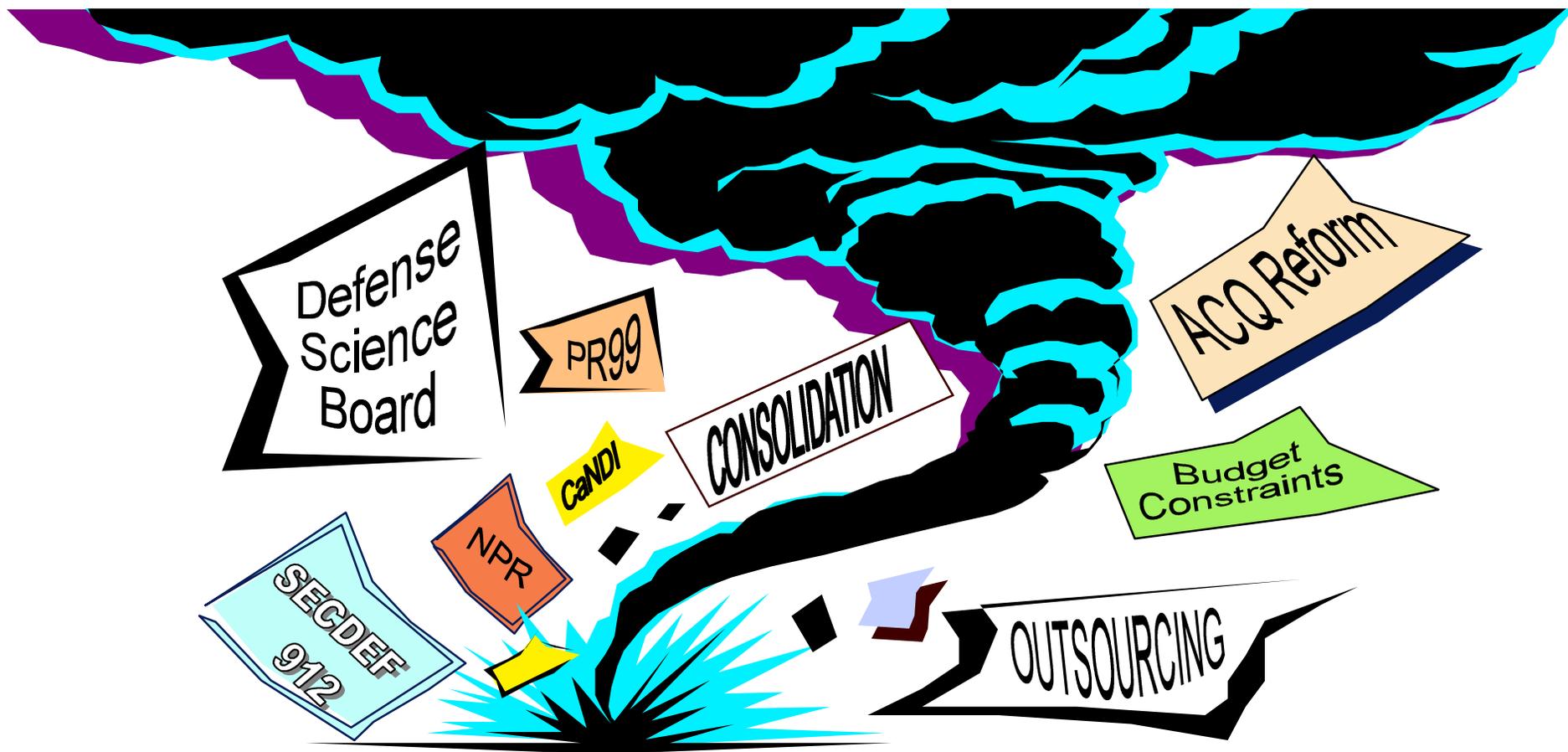
**Weapon Systems Logistics Support...  
Partnering with NAVAIR, NAVSEA and SPAWAR  
to Reduce Total Ownership Costs**



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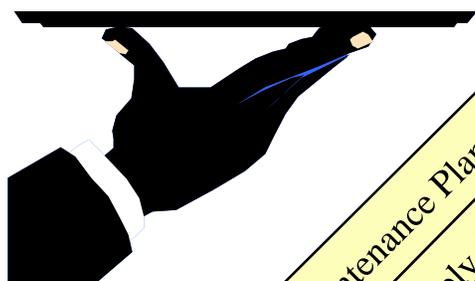


# Current Environment





# A la Carte Providers

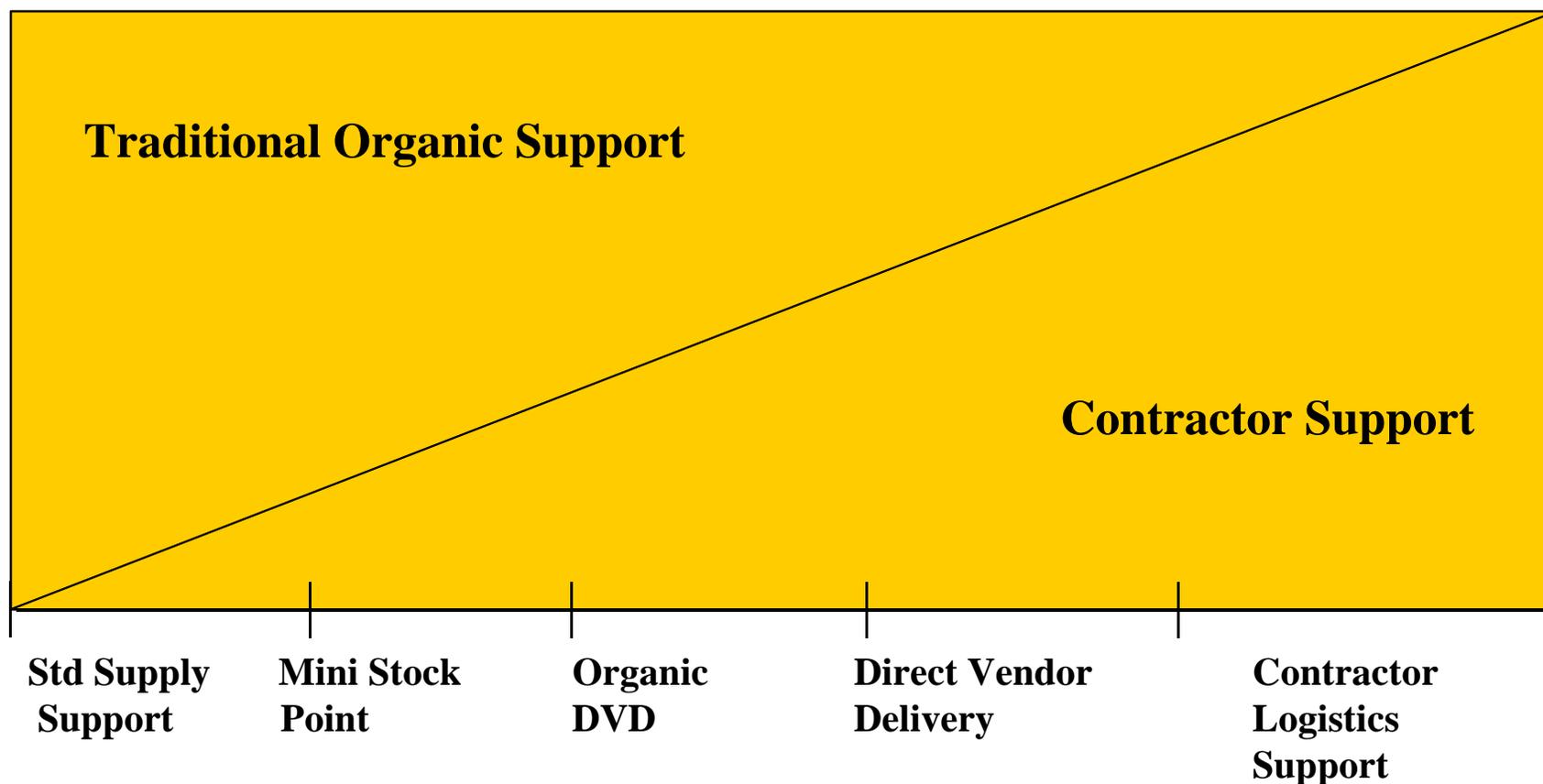


Provider	Maintenance Planning	Supply Support	Support & Test Equipment	Training & Training Support	Technical Data	Computer Resources Support	Packaging Handling Storage	Transportation	Facilities	Manpower & Personnel	Design Interface
USN	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
DLA	✓	✓	✓	✓	✓	✓	✓	✓			✓
Industry	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Academia				✓	✓	✓	✓	✓			✓
Partnerships	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

**Key is in the contract...lower costs, provide readiness**



# Contractor Logistics Support Continuum of Possibilities





# Challenges

- **Take advantage of commercial infrastructure and inventory**
- **Shipboard integration of contractor logistics support...**
  - ✓ **Use of existing shipboard systems and procedures**
  - ✓ **Transparent logistics support for Fleet operator**
- **Rapid pace of commercial item obsolescence, upgrades**
- **Pass warranty savings to customer**
- **Incorporation of ISEA capabilities and services**

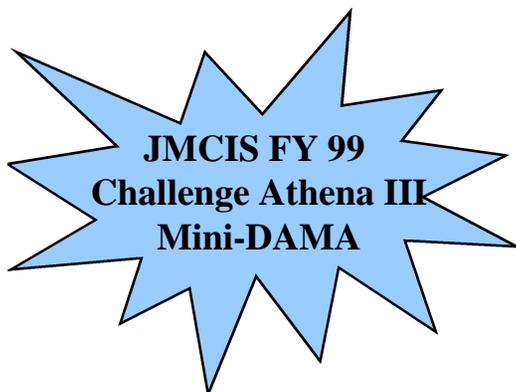
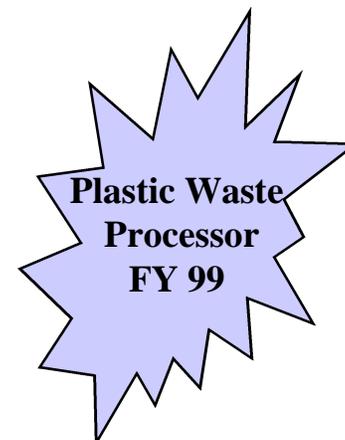
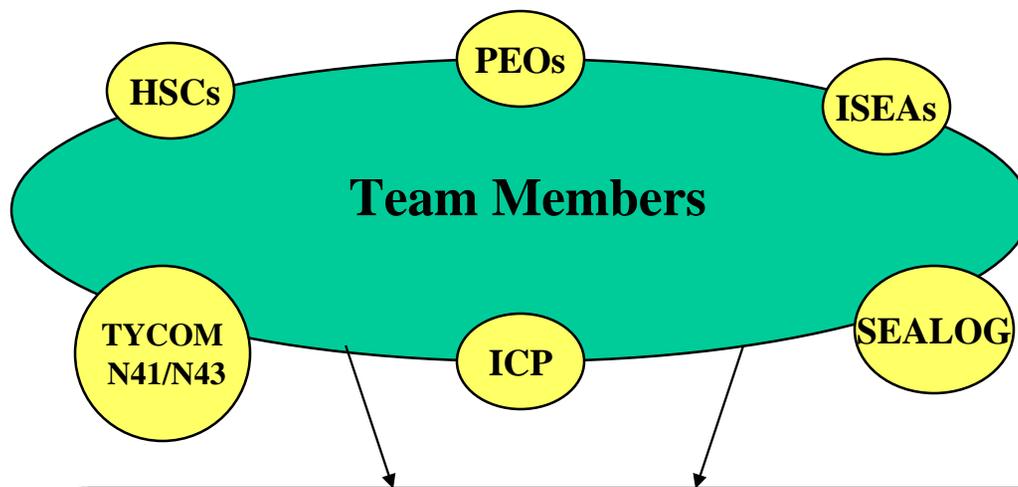


# Approaches

- **Commercial and Nondevelopmental Item Support Working Group**
- **Alternative Logistics Support Office**
- **Readiness Support Center**
- **Direct Vendor Delivery**
- **Organic Direct Vendor Delivery**
- **Variable Pricing**



# Navy CaNDI Support Working Group



- ✓ Improved support for installed systems through improved communications between Program Offices and Fleet
- ✓ Reinforced the value of early ILS involvement
- ✓ Fleet requirements
- ✓ Guidance
- ✓ Education



# Alternative Logistics Support Office

- Goals of A.L.S.O. team are to integrate alternative logistics support with current shipboard systems and reduce TOC...
  - ✓ Facilitate discussions between industry, academia, and Fleet and government
  - ✓ Develop Statement of Work/Objectives
  - ✓ Tools: ODVD, DVD, Warranty, Variable Surcharge, RSC
- Quality of Life initiatives are also underway

**Integration of CLS**

Creative pricing

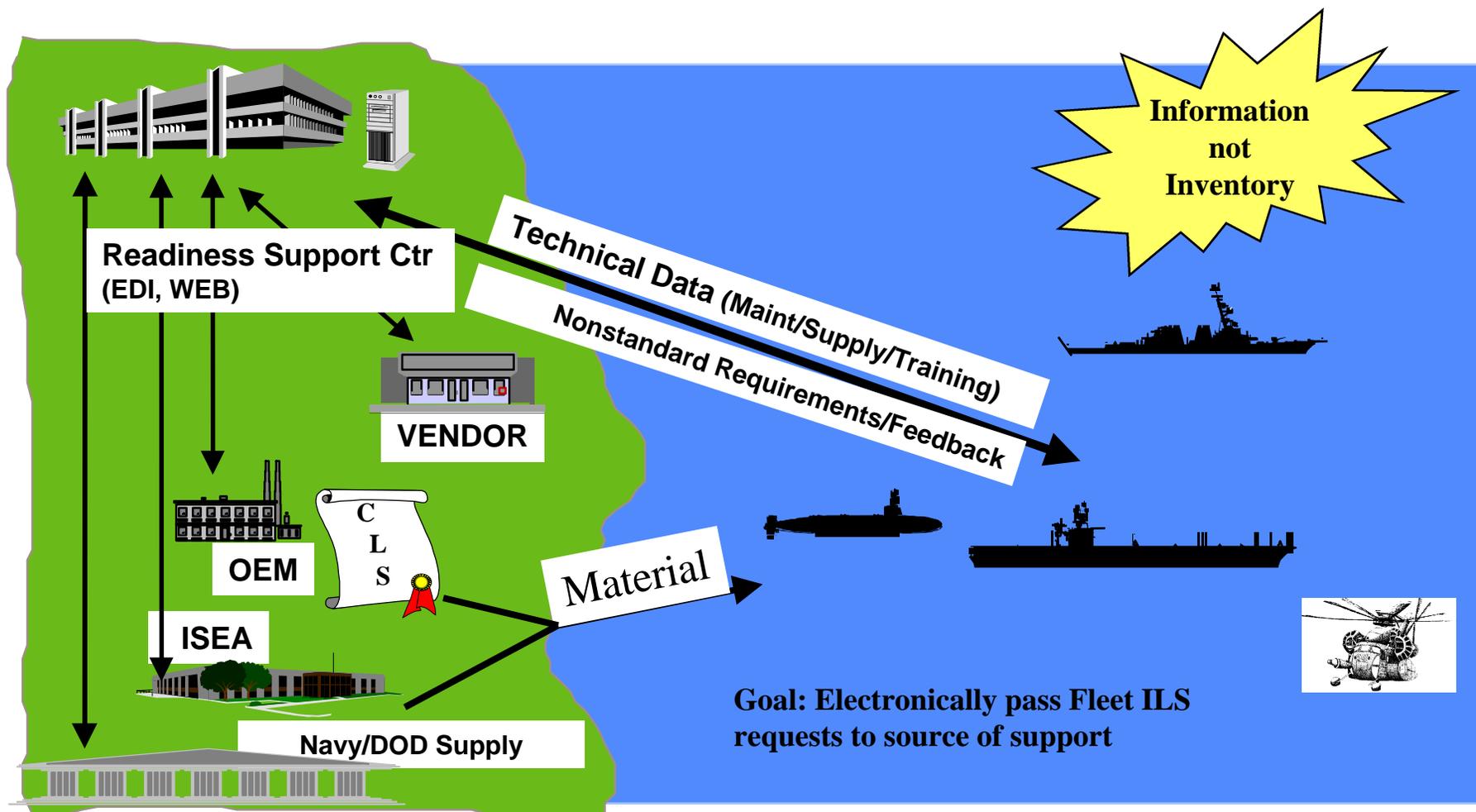


Working:  
JMCIS  
IT 21 Equipment  
V-22 Engines  
CVX  
DD 21

Logistics experts integrating CLS



# Readiness Support Center FY 99 Prototype





# Direct Vendor Delivery

- **Contract with the commercial OEM/Integrator**
- **Pay for response time...not inventory**
- **Standardize requisitioning...integrated for customer**
- **Leverage off existing commercial support infrastructure**
- **Contract incentives to improve reliability**
- **FY 99 Programs...**
  - ➔ **Standard Central Air Data Computer (SCADC)**
  - ➔ **Replacement Inertial Navigation Unit (RINU)**
  - ➔ **V-22 Allison Engine**



# Organic Direct Vendor Delivery

- **Engineering activity is integrator and source of supply**
  - ✓ **Use the existing acquisition contract**
  - ✓ **Knows the market place**
  - ✓ **Manages the warranties**
  - ✓ **Test and integrates new/failed units**
- **NAVICP integrates support with shipboard systems**
  - ✓ **Single, electronic face to the Fleet**
  - ✓ **Manages carcass turn ins**
  - ✓ **Updates shipboard ILS documentation**
- **FY 99 Program...**
  - ➔ **Joint Maritime Communications Information System**



# Variable Pricing

- **Develop BCA associated with level of effort for each program**
- **Convert into a percentage...variable surcharge**
- **FY 99 Programs...**
  - ✓ **AEGIS, GPETE, SLQ-32, JMCIS and EEBDs**
- **Pass warranty cost avoidance to requisitioning customer...**
  - ➔ **FY 00 proposed prototype...IT 21 Computer Equipment**



# Summary

- **Acquisition environment is ripe for partnering for creative solutions for TOC reductions and readiness**
- **Early, joint planning is essential**
- **Traditional roles and commercial infrastructure can be accommodated**
- **CLS can be integrated with shipboard systems**